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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 7, 2016

Certified Return Receipt
7015 0640 0001 4528 8762

Thomas J. Clark
1145 North 1100 West
St. George, Utah 84770

Subject: Evaluation of Reclamation Surety and Updated Notice of Intent, Thomas J. Clark, Daddy Dearest Mine, S/015/0046, Emery County, Utah

Response required by May 13, 2016

Dear Mr. Clark:

By letter dated September 9, 2015, the Division of Oil, Gas and Mining required that the reclamation surety for the Daddy Dearest mine be increased from \$20,000.00 to either \$34,400.00 (three year escalation) or \$34,900.00 (five year escalation). Neither the Bureau of Land Management (BLM) nor the Division has received the increased surety.

If the reclamation surety is not increased to either \$34,400.00 (three year escalation) or \$34,900.00 (five year escalation) or the site reclaimed by May 13, 2016, the Division will issue a cessation order and associated fine. Continued failure to post the increased surety or to reclaim may result in fines of \$750.00 for each day of non-compliance.

To effect the increase, you may amend the letter of credit, or you may supply a new letter of credit, a certificate of deposit, cash, or a surety bond for either the increased or full amount. If you post a new surety for the entire amount, the Division would concur with releasing the existing letter of credit by the BLM. Please contact the minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov with questions about increasing the surety amount.

Please provide the increased surety by May 13, 2016.

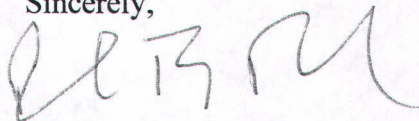
The Division also requests that you provide an updated Notice of Intention to Conduct Small Mining Operations (NOI) to ensure it is adequate and reflects the current operating conditions. The current NOI on file with the Division is from 1995 and is out of date. Attached is a blank copy of the NOI. You can also obtain the NOI form from the Division's web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html. Please provide the updated NOI by May 13, 2016.



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April 7, 2016

Thank you for your cooperation. Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions about this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read "PB Baker", written in a cursive style.

Paul B. Baker
Mining Program Manager

PBB:whw:pb

Enclosure: Copy of 2009 and 2015 letters

cc: Mike Glasson, Price BLM (mglasson@blm.gov); Opie Abeyta, BLM SO (oabeyta@blm.gov)

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